

# FISCAL NOTE

## SB 915

February 5, 2005

**SUMMARY OF BILL:** Requires the Commissioner of Finance and Administration to initiate an audit of all state spending for FY2004-05 and to provide the governor and each member of the general assembly copies of such audit. Audit shall be performed by a licensed independent certified public accountant.

### ESTIMATED FISCAL IMPACT:


#### **Increase State Expenditures - \$1,000,000 One-Time**

##### Assumptions:

- Ten states use independent auditors to audit all or parts of the Comprehensive Annual Financial Report (CAFR).
- All other states use their office of state audit.
- Three states that have conducted independent audits were contacted: Nebraska, New Hampshire, and Massachusetts.
- Based on these states' experience, the cost of the audit is estimated to be approximately \$1,000,000.
- Typical contract term for hiring a CPA firm, meeting the criteria of this bill, is one-year.
- Audit would be performed on the state's basic financial statements.
- Audit would be conducted in accordance with generally accepted accounting principles (GAAP) for the U.S. and standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller of the U.S.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director